

MSDA

Michigan Soft Drink Association

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124 West Allegan Street, Suite 634
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March 27, 2012

William E. Lobenherz, President
and Chief Executive Officer

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Dr. Pepper/7UP
of Michigan

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Company of Michigan

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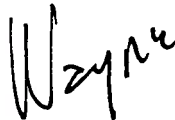
Jack Shanker

J. Dean Templeton

H. Duane Tirschel

The Honorable Wayne Schmidt
Michigan House of Representatives
Chair, House Commerce Committee
PO Box 30036
Lansing MI 48909

Dear Chairman Schmidt:



The MSDA offers its strong support for SB721 and SB722, bills designed to deter the theft of our plastic bulk merchandise carriers.

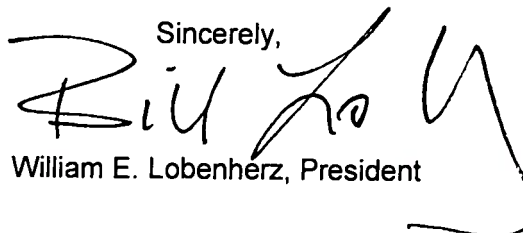
In order to remedy any potential controversy, the legislation is patterned precisely after the 2008 law, which passed the Michigan Legislature with near unanimous bipartisan support, to address a similar theft problem with nonferrous metals. The bills are also similar to legislation addressing these plastic bulk containers which has been adopted in other states, and has proven to be successful in significantly remedying the theft problem there.

The bills require persons who take 10 or more of these plastic containers to sell to a plastics grinding/recycling shop to provide identification and attest to ownership of the containers. The recycler/grinder retains the record for one year.

In order that the recycler/grinder is not inconvenienced by having to ask their regular commercial customers to also provide the ownership and identification paperwork every time they come in, the bill exempts those transactions for regular customers if the paperwork for the customer is maintained on file and regularly updated not less than once every two years.

We thank you for bringing this legislation up for a hearing before your Committee, and we thank you for your careful consideration.

Sincerely,



William E. Lobenherz, President

WEL:jg

Enclosures:

CC: Members, House Commerce Committee

Tim Matson, Pepsi-Cola Bottling Co. of Michigan

Lee Scott, Coca-Cola Bottling Co. of Michigan

Tom Soltis, Dr. Pepper/7UP Bottling Co. of Michigan

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Senate Bill No. 721 & 722 Theft of Plastic Bulk Merchandise Containers

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SB721 and SB722 passed the Michigan Senate 38-0 in January, 2012. The bills are designed to deter the theft of plastic bulk merchandise containers, by requiring persons who take these materials to sell at a plastics recycling/grinding shop, to provide identification and attest to ownership of the containers. This type of theft has been a growing and expensive problem for our Michigan soft drink manufacturers and distributors, as well as other retail and wholesale industries in Michigan. The theft is estimated to cost the Michigan soft drink industry alone in excess of \$3 million each year.

The bills are patterned after similar legislation signed into law during the 2007-8 session of the Michigan Legislature, which targeted the theft of copper and other nonferrous metals. The information and record retention provisions of SB721 are the same as in the 2008 law, and would trigger whenever 10 or more plastic bulk containers are brought in for sale to a plastics recycler/grinder.

In order that the recycler/grinder is not inconvenienced by having to ask their regular commercial customers to also provide the ownership and identification paperwork every time they come in, the bill exempts those transactions for regular customers if the paperwork for the customer is maintained on file and regularly updated not less than once every two years.

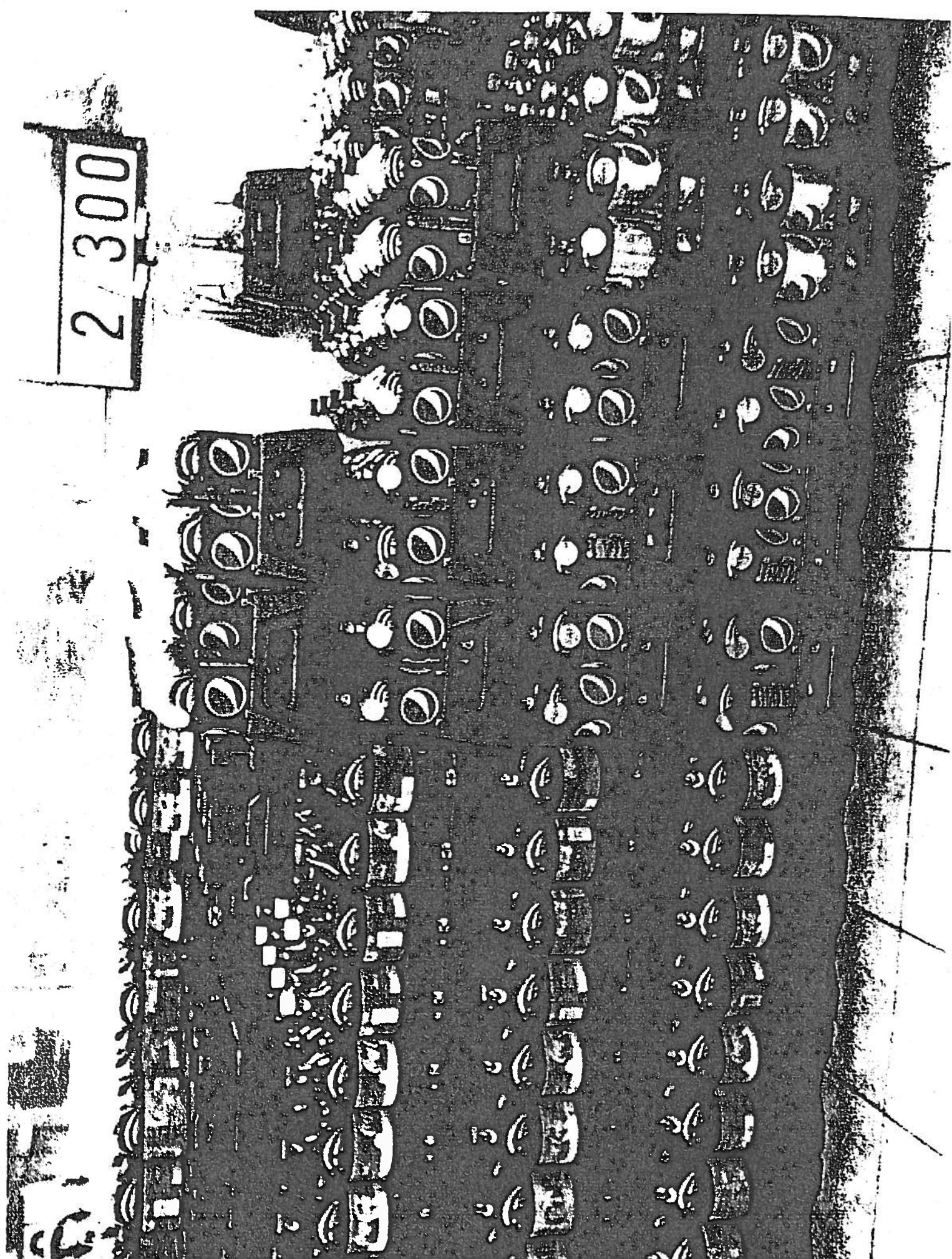
Penalties for violation of the act were drafted to be identical to the penalties passed by the legislature for the nonferrous metals theft statutes approved in the previous legislative session.

SB721 also closely mirrors legislation recently passed in Texas and Arizona, and introduced in Ohio and Wisconsin. The Texas statute has now been on the books for more than a year, and our counterparts from the Longhorn State report that their theft problems have been significantly diminished. One company reported that their required inventory replacement of plastic soft drink carriers was reduced by more than 60%.

WEL:

02/12

2/300



Sara Lee needs your help!

It is unlawful to use or be in possession
of our baskets without express written
permission from Sara Lee.

Violators will be prosecuted.

If you see any of our equipment or if you
have any information that would help us
recover our equipment call:

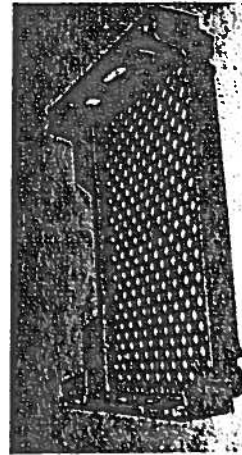
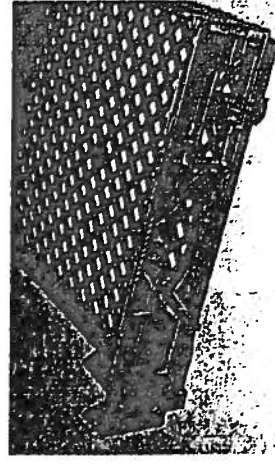
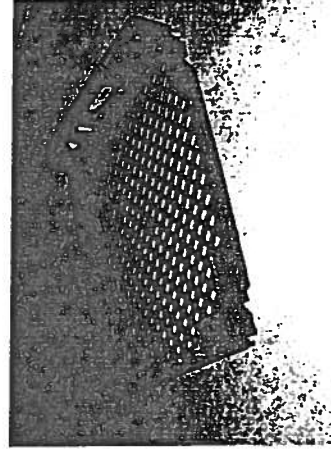
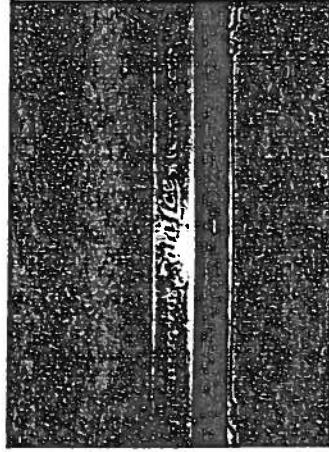
801 381 7787

or

888 832 6010

Callers can remain anonymous

Help us find our baskets!



Sara Lee